

1 Adopt 2 Cal. Code Regs. Section 18530.4 to read:

2 18530.4 Legal Defense Funds.

3 (a) Notwithstanding Government Code section 85201, candidates who raise legal  
4 defense funds pursuant to Government Code section 85304 [Decision 1: option A: must deposit  
5 those funds in a single bank account; option B: must or may be held in separate bank accounts  
6 for each different proceeding] at a financial institution located in the State of California which is  
7 [are] separate from any other bank account held by the official, including any campaign bank  
8 account. The candidate must establish a controlled committee for the account[s] by filing a  
9 statement of organization pursuant to Government Code section 84101. The words "Legal  
10 Defense Fund" shall be included as part of the committee name.

11 (b) The committee shall file [Decision 2: option A: semi-annual; option B: quarterly  
12 option C: neither A nor B] campaign statements pursuant to Chapter 4 [option C: and 5] of  
13 Title 9 of the Government Code.

14 (c) Contributions to a legal defense fund account are not subject to Government Code  
15 sections 85200, 85201 and 85402.

16 (d) An elected state officer or candidate for elective state office may establish a legal  
17 defense fund under Government Code section 85304 regardless of the individual's status as a  
18 local candidate or officeholder.

19 [Decision 3: (e) Funds raised pursuant to Government Code section 85304 are limited to  
20 that amount reasonably necessary to defray the attorney fees and other legal costs related to the  
21 proceeding for which the fund was created.]

22 [Decision 4: (e/f) Option A: Remaining legal defense funds, as defined by subdivision  
23 (c) of Government Code section 85304, may be disposed of for the purpose set forth in

1 subdivision (b)(1) of Government Code section 89519, except that such discharge is limited to  
2 reimbursement of defense costs actually incurred by the campaign committee and is subject to  
3 the provisions of Government Code sections 85301-85306.; Option B: Remaining legal defense  
4 funds, as defined by subdivision (c) of Government Code section 85304, may be disposed of for  
5 the purpose set forth in subdivision (b)(1) of Government Code section 89519, except that such  
6 discharge is subject to the provisions of Government Code sections 85301-85306.]

7 [If 1B, then: (e/f/g) The candidate may have more than one account for separate  
8 proceedings as long as these accounts are separate from any other accounts held by the  
9 candidate, including those containing personal funds.]

10 NOTE: Authority cited: Section 83112, Government Code.  
11 Reference: Sections 85301, 85302, 85303, 85304, 85305, 85306 and 89519, Government Code.